

REFERENCE TITLE: property tax exemption; disabled veterans

State of Arizona
House of Representatives
Forty-eighth Legislature
Second Regular Session
2008

HCR 2002

Introduced by
Representatives Anderson: Tobin

A CONCURRENT RESOLUTION

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, SECTIONS 2 AND 2.3, CONSTITUTION OF ARIZONA; AMENDING ARTICLE IX, CONSTITUTION OF ARIZONA, BY ADDING SECTION 2.4; RELATING TO PROPERTY TAX EXEMPTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona, the
2 Senate concurring:

3 1. Article IX, sections 2 and 2.3, Constitution of Arizona, are
4 proposed to be amended as follows if approved by the voters and on
5 proclamation of the Governor:

6 2. Property subject to taxation: exemptions

7 Section 2. (1) There shall be exempt from taxation all
8 federal, state, county and municipal property.

9 (2) Property of educational, charitable and religious
10 associations or institutions not used or held for profit may be
11 exempt from taxation by law.

12 (3) Public debts, as evidenced by the bonds of Arizona,
13 its counties, municipalities or other subdivisions, shall also
14 be exempt from taxation.

15 (4) All household goods owned by the user thereof and
16 used solely for noncommercial purposes shall be exempt from
17 taxation, and such person entitled to such exemption shall not
18 be required to take any affirmative action to receive the
19 benefit of such exemption.

20 (5) Stocks of raw or finished materials, unassembled
21 parts, work in process or finished products constituting the
22 inventory of a retailer or wholesaler located within the state
23 and principally engaged in the resale of such materials, parts
24 or products, whether or not for resale to the ultimate consumer,
25 shall be exempt from taxation.

26 (6) The legislature may exempt personal property that is
27 used for agricultural purposes or in a trade or business from
28 taxation in a manner provided by law, except that the exemption
29 does not apply to any amount of the full cash value of the
30 personal property of a taxpayer that exceeds fifty thousand
31 dollars. The legislature may provide by law to increase the
32 exempt amount according to annual variations in a designated
33 national inflation index.

34 (7) The legislature may exempt the property of cemeteries
35 that are set apart and used to inter deceased human beings from
36 taxation in a manner provided by law.

37 ~~(8) There shall be further exempt from taxation the~~
38 ~~property of each honorably discharged airman, soldier, sailor,~~
39 ~~United States marine, member of revenue marine service, the~~
40 ~~coast guard, nurse corps or of any predecessor or of the~~
41 ~~component of auxiliary of any thereof, resident of this state,~~
42 ~~in the amount of:~~

43 ~~(a) One thousand five hundred dollars if the total~~
44 ~~assessment of such person does not exceed three thousand five~~
45 ~~hundred dollars.~~

1 ~~(b) One thousand dollars if the total assessment of such~~
2 ~~person does not exceed four thousand dollars.~~

3 ~~(c) Five hundred dollars if the total assessment of such~~
4 ~~person does not exceed four thousand five hundred dollars.~~

5 ~~(d) Two hundred fifty dollars if the total assessment of~~
6 ~~such person does not exceed five thousand dollars.~~

7 ~~(e) No exemption if the total assessment of such person~~
8 ~~exceeds five thousand dollars.~~

9 ~~No such exemption shall be made for such person unless~~
10 ~~such person shall have served at least sixty days in the~~
11 ~~military or naval service of the United States during World War~~
12 ~~I or prior wars and shall have been a resident of this state~~
13 ~~prior to September 1, 1945.~~

14 ~~(9) There shall be further exempt from taxation as herein~~
15 ~~provided the property of each honorably discharged airman,~~
16 ~~soldier, sailor, United States marine, member of revenue marine~~
17 ~~service, the coast guard, nurse corps or of any predecessor or~~
18 ~~of the component of auxiliary of any thereof, resident of this~~
19 ~~state, where such person has a service-connected disability as~~
20 ~~determined by the United States veterans administration or its~~
21 ~~successor. No such exemption shall be made for such person~~
22 ~~unless he shall have been a resident of this state prior to~~
23 ~~September 1, 1945 or unless such person shall have been a~~
24 ~~resident of this state for at least four years prior to his~~
25 ~~original entry into service as an airman, soldier, sailor,~~
26 ~~United States marine, member of revenue marine service, the~~
27 ~~coast guard, nurse corps or of any predecessor or of the~~
28 ~~component of auxiliary of any thereof. The property of such~~
29 ~~person having a compensable service-connected disability exempt~~
30 ~~from taxation as herein provided shall be determined as follows:~~

31 ~~(a) If such person's service-connected disability as~~
32 ~~determined by the United States veterans administration or its~~
33 ~~successor is sixty per cent or less, the property of such person~~
34 ~~exempt from taxation shall be determined by such person's~~
35 ~~percentage of disability multiplied by the assessment of such~~
36 ~~person in the amount of:~~

37 ~~(i) One thousand five hundred dollars if the total~~
38 ~~assessment of such person does not exceed three thousand five~~
39 ~~hundred dollars.~~

40 ~~(ii) One thousand dollars if the total assessment of such~~
41 ~~person does not exceed four thousand dollars.~~

42 ~~(iii) Five hundred dollars if the total assessment of~~
43 ~~such person does not exceed four thousand five hundred dollars.~~

44 ~~(iv) Two hundred fifty dollars if the total assessment of~~
45 ~~such person does not exceed five thousand dollars.~~

1 ~~(v) No exemption if the total assessment of such person~~
2 ~~exceeds five thousand dollars.~~

3 ~~(b) If such person's service connected disability as~~
4 ~~determined by the United States veterans administration or its~~
5 ~~successor is more than sixty per cent, the property of such~~
6 ~~person exempt from taxation shall be in the amount of:~~

7 ~~(i) One thousand five hundred dollars if the total~~
8 ~~assessment of such person does not exceed three thousand five~~
9 ~~hundred dollars.~~

10 ~~(ii) One thousand dollars if the total assessment of such~~
11 ~~person does not exceed four thousand dollars.~~

12 ~~(iii) Five hundred dollars if the total assessment of~~
13 ~~such person does not exceed four thousand five hundred dollars.~~

14 ~~(iv) Two hundred fifty dollars if the total assessment of~~
15 ~~such person does not exceed five thousand dollars.~~

16 ~~(v) No exemption if the total assessment of such person~~
17 ~~exceeds five thousand dollars.~~

18 ~~(10) There shall be further exempt from taxation the~~
19 ~~property of each honorably discharged airman, soldier, sailor,~~
20 ~~United States marine, member of revenue marine service, the~~
21 ~~coast guard, nurse corps or of any predecessor or of the~~
22 ~~component of auxiliary of any thereof, resident of this state,~~
23 ~~where such person has a nonservice-connected total and permanent~~
24 ~~disability, physical or mental, as so certified by the United~~
25 ~~States veterans administration, or its successor, or such other~~
26 ~~certification as provided by law, in the amount of:~~

27 ~~(a) One thousand five hundred dollars if the total~~
28 ~~assessment of such person does not exceed three thousand five~~
29 ~~hundred dollars.~~

30 ~~(b) One thousand dollars if the total assessment of such~~
31 ~~person does not exceed four thousand dollars.~~

32 ~~(c) Five hundred dollars if the total assessment of such~~
33 ~~person does not exceed four thousand five hundred dollars.~~

34 ~~(d) Two hundred fifty dollars if the total assessment of~~
35 ~~such person does not exceed five thousand dollars.~~

36 ~~(e) No exemption if the total assessment of such person~~
37 ~~exceeds five thousand dollars.~~

38 ~~No such exemption shall be made for such person unless he~~
39 ~~shall have served at least sixty days in the military or naval~~
40 ~~service of the United States during time of war after World War~~
41 ~~I and shall have been a resident of this state prior to~~
42 ~~September 1, 1945.~~

43 ~~(11)~~ (8) There shall be further exempt from taxation the
44 property of each widow, resident of this state, in the amount
45 of:

1 (a) One thousand five hundred dollars if the total
2 assessment of such widow does not exceed three thousand five
3 hundred dollars.

4 (b) One thousand dollars if the total assessment of such
5 widow does not exceed four thousand dollars.

6 (c) Five hundred dollars if the total assessment of such
7 widow does not exceed four thousand five hundred dollars.

8 (d) Two hundred fifty dollars if the total assessment of
9 such widow does not exceed five thousand dollars.

10 (e) No exemption if the total assessment of such widow
11 exceeds five thousand dollars.

12 In order to qualify for this exemption, the income from
13 all sources of such widow, together with the income from all
14 sources of all children of such widow residing with the widow in
15 her residence in the year immediately preceding the year for
16 which such widow applies for this exemption, shall not exceed:

17 1. Seven thousand dollars if none of the widow's children
18 under the age of eighteen years resided with her in such widow's
19 residence; or

20 2. Ten thousand dollars if one or more of the widow's
21 children residing with her in such widow's residence was under
22 the age of eighteen years, or was totally and permanently
23 disabled, physically or mentally, as certified by competent
24 medical authority as provided by law.

25 Such widow shall have resided with her last spouse in this
26 state at the time of the spouse's death if she was not a widow
27 and a resident of this state prior to January 1, 1969.

28 ~~(12)~~ (9) No property shall be exempt which has been
29 conveyed to evade taxation. The total exemption from taxation
30 granted to the property owned by a person who qualifies for any
31 exemption in accordance with the terms of ~~subsections~~ SUBSECTION
32 (8), ~~(9)~~, ~~(10)~~ or ~~(11)~~ shall not exceed one thousand five
33 hundred dollars. The provisions of this section shall be
34 self-executing.

35 ~~(13)~~ (10) All property in the state not exempt under the
36 laws of the United States or under this constitution or exempt
37 by law under the provisions of this section shall be subject to
38 taxation to be ascertained as provided by law.

39 2.3. Exemption from tax; increase in amount of
40 exemptions, assessments and income

41 Section 2.3. The legislature may by law increase the
42 amount of:

43 1. The exemptions, the total permissible amount of
44 assessments or the permissible amount of income from all sources
45 prescribed in sections 2, 2.1 and 2.2 of this article.

1 2. THE MAXIMUM FULL CASH VALUE THAT IS EXEMPT AND THE
2 QUALIFYING AMOUNT OF HOUSEHOLD INCOME AS PRESCRIBED IN SECTION
3 2.4 OF THIS ARTICLE.

4 2. Article IX, Constitution of Arizona, is proposed to be amended by
5 adding section 2.4 as follows if approved by the voters and on proclamation
6 of the Governor:

7 2.4. Exemption from tax; property of disabled veterans or
8 surviving spouses; definitions

9 SECTION 2.4. A. THE PRIMARY RESIDENCE OF A DISABLED
10 VETERAN THAT IS OWNED BY THE VETERAN, THE VETERAN'S SPOUSE OR
11 JOINTLY BY THE VETERAN AND THE VETERAN'S SPOUSE IS EXEMPT FROM
12 TAXATION AS PROVIDED BY THIS SECTION.

13 B. THE PRIMARY RESIDENCE OF THE UNMARRIED SURVIVING
14 SPOUSE OF A DECEASED DISABLED VETERAN THAT IS OWNED BY THE
15 SURVIVING SPOUSE IS EXEMPT FROM TAXATION AS PROVIDED BY THIS
16 SECTION IF THE VETERAN DIED AS A RESULT OF A SERVICE CONNECTED
17 DISEASE OR INJURY INCURRED WHILE ON ACTIVE DUTY IN MILITARY
18 SERVICE.

19 C. THE AMOUNT OF THE EXEMPTION UNDER THIS SECTION IS ANY
20 PART OF THE FULL CASH VALUE OF THE RESIDENCE THAT DOES NOT
21 EXCEED EITHER:

22 1. ONE HUNDRED THOUSAND DOLLARS, AS ADJUSTED PURSUANT TO
23 SECTION 2.3 OF THIS ARTICLE,

24 2. ONE HUNDRED FIFTY THOUSAND DOLLARS, AS ADJUSTED
25 PURSUANT TO SECTION 2.3 OF THIS ARTICLE, IN THE CASE OF AN
26 ELIGIBLE VETERAN DESCRIBED IN SUBSECTION A OF THIS SECTION, OR
27 SURVIVING SPOUSE DESCRIBED IN SUBSECTION B OF THIS SECTION,
28 WHOSE HOUSEHOLD INCOME DOES NOT EXCEED FORTY THOUSAND DOLLARS,
29 AS ADJUSTED PURSUANT TO SECTION 2.3 OF THIS ARTICLE.

30 D. AN EXEMPTION GRANTED PURSUANT TO THIS SECTION IS IN
31 LIEU OF ANY OTHER REAL PROPERTY TAX EXEMPTION TO WHICH THE
32 CLAIMANT MAY BE ENTITLED. NO OTHER REAL PROPERTY TAX EXEMPTION
33 MAY BE GRANTED TO ANY OTHER PERSON WITH RESPECT TO THE SAME
34 RESIDENCE FOR WHICH AN EXEMPTION IS GRANTED PURSUANT TO THIS
35 SECTION, EXCEPT THAT IF TWO OR MORE DISABLED VETERANS WHO ARE
36 OTHERWISE QUALIFIED PURSUANT TO THIS SECTION ARE CO-OWNERS OF
37 THE SAME PROPERTY IN WHICH THEY RESIDE, EACH IS ENTITLED TO THE
38 EXEMPTION TO THE EXTENT OF THE RESPECTIVE INTERESTS IN THE
39 PROPERTY.

40 E. FOR THE PURPOSES OF THIS SECTION:

41 1. THE UNITED STATES DEPARTMENT OF VETERANS AFFAIRS SHALL
42 DETERMINE WHETHER AN INJURY OR DISEASE IS SERVICE CONNECTED.

43 2. PROPERTY IS CONSIDERED TO BE THE PRIMARY RESIDENCE OF
44 A DISABLED VETERAN WHO IS CONFINED TO A HOSPITAL OR OTHER CARE
45 FACILITY IF THE PROPERTY WOULD BE THE VETERAN'S PRIMARY

1 RESIDENCE WERE IT NOT FOR THE VETERAN'S CONFINEMENT AND IF THE
2 PROPERTY IS NOT LEASED OR RENTED TO ANOTHER OCCUPANT OTHER THAN
3 A FAMILY MEMBER WHO RESIDES AT THE PROPERTY.

4 3. ALL MATTERS CONCERNING QUALIFYING STATUS UNDER THIS
5 SECTION SHALL BE DETERMINED AS OF JULY 1 OF THE VALUATION YEAR.

6 4. QUALIFYING PROPERTY INCLUDES:

7 (a) PROPERTY THAT IS OWNED BY THE VETERAN WITH THE
8 VETERAN'S SPOUSE AS A JOINT TENANCY, A TENANCY IN COMMON OR
9 COMMUNITY PROPERTY.

10 (b) PROPERTY OWNED BY THE VETERAN OR THE VETERAN'S SPOUSE
11 AS SEPARATE PROPERTY.

12 (c) PROPERTY OWNED WITH ONE OR MORE OTHER PERSONS TO THE
13 EXTENT OF THE INTEREST OWNED BY THE VETERAN, THE VETERAN'S
14 SPOUSE OR BOTH THE VETERAN AND THE VETERAN'S SPOUSE.

15 (d) PROPERTY OWNED BY THE VETERAN'S UNMARRIED SURVIVING
16 SPOUSE WITH ONE OR MORE OTHER PERSONS TO THE EXTENT OF THE
17 INTEREST OWNED BY THE SURVIVING SPOUSE.

18 (e) PROPERTY OWNED IN TRUST FOR THE SOLE BENEFIT OF THE
19 VETERAN, OF THE VETERAN AND THE VETERAN'S SPOUSE OR OF THE
20 VETERAN'S UNMARRIED SURVIVING SPOUSE.

21 (f) AS MUCH OF THE PROPERTY OF A CORPORATION AS
22 CONSTITUTES THE PRINCIPAL PLACE OF RESIDENCE OF A VETERAN OR A
23 VETERAN'S UNMARRIED SURVIVING SPOUSE IF THE VETERAN OR THE
24 VETERAN'S SPOUSE OR THE VETERAN'S UNMARRIED SURVIVING SPOUSE IS
25 A SHAREHOLDER OF THE CORPORATION AND THE RIGHTS OF SHAREHOLDING
26 ENTITLE ONE TO THE POSSESSION OF PROPERTY, LEGAL TITLE TO WHICH
27 IS OWNED BY THE CORPORATION. AN EXEMPTION DERIVED FROM THIS
28 SUBDIVISION SHALL BE SHOWN ON THE TAX ROLL AND SHALL REDUCE THE
29 FULL CASH VALUE OF THE CORPORATE PROPERTY. NOTWITHSTANDING ANY
30 LAW OR THE ARTICLES OF INCORPORATION OR BYLAWS OF A CORPORATION
31 DESCRIBED IS THIS SUBDIVISION, ANY REDUCTION OF PROPERTY TAXES
32 PAID BY THE CORPORATION SHALL REFLECT AN EQUAL REDUCTION IN ANY
33 CORPORATE CHARGES TO THE PERSON WHO, BY REASON OF QUALIFYING FOR
34 THE EXEMPTION, MADE POSSIBLE THE REDUCTION FOR THE CORPORATION.

35 F. FOR THE PURPOSES OF THIS SECTION:

36 1. "ARMED FORCES" MEANS ALL REGULAR, RESERVE AND NATIONAL
37 GUARD COMPONENTS OF THE UNIFORMED SERVICES OF THE UNITED STATES,
38 INCLUDING THE UNITED STATES ARMY, NAVY, AIR FORCE, MARINE CORPS
39 AND COAST GUARD, AND INCLUDES CIVILIAN SERVICE THAT IS
40 AUTHORIZED BY FEDERAL LAW TO BE CONSIDERED ACTIVE MILITARY DUTY
41 FOR THE PURPOSES OF LAWS ADMINISTERED BY THE UNITED STATES
42 SECRETARY OF VETERANS AFFAIRS.

43 2. "DISABLED VETERAN" MEANS A RESIDENT OF THIS STATE WHO
44 HAS SERVED IN AND BEEN DISCHARGED UNDER HONORABLE CONDITIONS
45 FROM MILITARY SERVICE IN THE ARMED FORCES OF THE UNITED STATES

1 IN TIME OF WAR OR TIME OF PEACE IN A CAMPAIGN OR EXPEDITION FOR
2 WHICH A MEDAL HAS BEEN ISSUED BY CONGRESS AND WHO, AS A RESULT
3 OF INJURY OR DISEASE INCURRED IN MILITARY SERVICE:

4 (a) IS BLIND IN BOTH EYES. FOR THE PURPOSES OF THIS
5 SUBDIVISION, "BLIND" MEANS HAVING A VISUAL ACUITY OF 5/200 OR
6 LESS OR CONCENTRIC CONTRACTION OF THE VISUAL FIELD TO FIVE
7 DEGREES OR LESS.

8 (b) HAS LOST THE USE OF TWO OR MORE LIMBS. FOR THE
9 PURPOSES OF THIS SUBDIVISION, LOSS OF THE USE OF A LIMB MEANS
10 THE LIMB HAS BEEN AMPUTATED OR ITS USE HAS BEEN LOST BY REASON
11 OF ANKYLOSIS, PROGRESSIVE MUSCULAR DYSTROPHIES OR PARALYSIS.

12 (c) IS TOTALLY DISABLED. FOR THE PURPOSES OF THIS
13 SUBDIVISION, "TOTALLY DISABLED" MEANS THAT THE UNITED STATES
14 DEPARTMENT OF VETERANS AFFAIRS OR THE MILITARY SERVICE FROM
15 WHICH THE VETERAN WAS DISCHARGED HAS RATED THE DISABILITY AT ONE
16 HUNDRED PER CENT OR HAS RATED THE DISABILITY COMPENSATION AT ONE
17 HUNDRED PER CENT BY REASON OF BEING UNABLE TO SECURE OR FOLLOW A
18 SUBSTANTIALLY GAINFUL OCCUPATION.

19 3. "PRIMARY RESIDENCE" MEANS AN OWNER-OCCUPIED DWELLING,
20 INCLUDING A MANUFACTURED HOME, THAT IS OWNED BY AND USED AS THE
21 PRIMARY DWELLING PLACE OF THE DISABLED VETERAN OR SURVIVING
22 SPOUSE, INCLUDING NOT MORE THAN ONE ACRE OF REAL PROPERTY ON
23 WHICH THE RESIDENCE IS LOCATED. A PRIMARY RESIDENCE MAY CONSIST
24 OF PART OF A MULTIDWELLING OR MULTIPURPOSE BUILDING AND PART OF
25 THE LAND ON WHICH THE BUILDING IS LOCATED.

26 3. The Secretary of State shall submit this proposition to the voters
27 at the next general election as provided by article XXI, Constitution of
28 Arizona.